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ABSTRACT

This country's ten thousand proprietary, or profitmaking, vocational schools are big business. They enroll over 3 million students each year, producing gross annual revenues of at least 2.5 billion dollars on which substantial corporate, property, and personal income taxes are paid. Cosmetology schools represent a third of the total number; trade and technical schools another third. Although correspondence schools represent less than a tenth of the proprietaries, they enroll two-thirds of the students and produce over half of the industry's income. Despite their unavoidable presence, proprietaries weren't discovered by educational policymakers until a few years ago. One plausible explanation is that in the early days proprietary schools were conducted as businesses, but academic and business interests have merged in the past decade. This merging of interests may change into outright competition as all schools scramble for their share of the student market and federal dollars. This report will identify some major findings about residential proprietary students (excluding correspondence schools) against which findings from a fresh study underway at the University of California's Center for Research and Development in Higher Education have been juxtaposed. (Author/GP)

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Research Currents

PROPRIETARY AND PUBLIC VOCATIONAL STUDENTS

by Wellford W. Wilms

This country's ten thousand proprietary, or profitmaking, vocational schools are big business. They enroll over three million students each year, producing gross annual revenues of at least 2.5 billion dollars (Eisenberg 1973) on which substantial corporate, property, and personal income taxes are paid. Cosmetology, or "beauty," schools represent a third of the total number; trade and technical schools another third; and the business plus the correspondence schools make up the final third. Although correspondence schools represent less than a tenth of the proprietaries, they enroll two-thirds of the students and produce over half of the industry's income.

Despite their unavoidable presence, proprietaries weren't "discovered" by educational policymakers until a few years ago. It wasn't that they were new, because proprietary vocational training began in Plymouth Colony in 1635 and followed the dictates of the industrial revolution, offering training in merchant accounts, typing and shorthand. The proprietaries of the 1700s and 1800s weren't necessarily "mom-and-pop" operations either. The founders of the Bryant and Stratton schools owned 40 schools during the Civil War. Today 85 percent of the proprietaries are owned by well-known corporations such as Bell & Howell, Control Data, Minneapolis Honeywell, IT&T, and others. How could such an enormous set of institutions escape most educators' eyes for so long?

One plausible explanation is that in the early days proprietary schools were conducted as businesses and staffed by business persons whose interests centered on student recruitment and the bottom line of the income statement rather than on academics and scholarly writing. Their interests and style probably eluded most traditional educators and offended the rest.

Academic and business interests have merged in the past decade, with each nearly reversing its former direction. As academic education encountered rough fiscal sailing, it adopted many practices and hired personnel from the business sector. It paid increasing attention to recruiting students, hoping for an excess of income over expenditures. On the other hand, many proprietary schools have made a bid for "respectability" to attract more students and federal student aid funds. In doing so, they have become concerned about accreditation, transfer of credit, and degree granting status—issues that lay outside the pale of profitmaking schools 10 years ago.

This merging of interests may change into outright competition as all schools scramble for their share of the student market and federal dollars. While more information is needed by policymakers to guide the slicing of the pie, currently not much is available.

This report will identify some major findings about residential proprietary students (excluding correspondence schools) against which findings from a fresh study underway at the University of California's Center for Research and Development in Higher Education have been juxtaposed.

PAST RESEARCH

The Schools—There is virtually total agreement on one issue—that proprietary schools, driven by the profit motive rather than political survival, are firmly rooted in the marketplace (Miller and Hamilton 1964; Kincaid and Podesta 1966; Belitsky 1969; Dunbar and Berry 1970; HEW Task Force 1970; American Institutes for Research 1972; Erickson et al. 1972; Federal Trade Commission 1973(a); H. H. Katz 1973; and Wilms 1973(a)). However, conclusions drawn about the effects of being rooted in the marketplace, rather than the political system, differ. Some investigators think more stringent regulation of profitmaking schools is necessary (Dunbar and Berry 1970; FTC 1973(a)) while others are more willing to leave the regulation to the marketplace.

Proprietary schools are organized as sole proprietorships, partnerships, and corporations. Even though many schools are parts of larger corporations, or chains, they tend to be small and flexible enough to accommodate students. They offer specific training for employment, short courses, operate year-round, and can respond quickly to changes in the labor market (Belitsky 1969; American Institutes for Research 1972). Erickson (1972) and Belitsky (1969) found that individual attention, faculty accountability, and frequent feedback on performance are partially responsible for high proprietary completion rates and for motivation of slow learners and dropouts.

The Students—Most research to date portrays the pro-

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prietary student as predominantly white, with an equal, if not higher, level of education, academic ability, and family resources than the student who opts for similar training at the local community college or technical school. In a comparative study of students in proprietary and nonproprietary schools, the American Institute for Research (1972) reported that students from ethnic minorities were more likely to attend nonproprietary schools because they are less expensive and often free. Overall though, they conclude proprietary and public students are about the same. Belitsky's (1969) study infers that proprietary students are relatively highly educated. Over two-thirds of the students he surveyed in 112 accredited trade schools were "over educated"—their actual education level exceeded the schools' requirements. Erickson et al. (1972), reporting on some of Belitsky's work, wrote that almost all proprietary students Belitsky studied were high school graduates who ranked in the upper three-fourths of their graduating classes. In their own study of business and proprietary schools, Erickson et al. (1972) report that many proprietary business school students have above-average high school academic records and could meet 2- and 4-year college entrance requirements. Furthermore, 60 percent of the students were enrolled in the "academic" high school program.

The HEW Task Force on Vocational Education (1970) summarized existing data and concluded similarly that proprietary students tended to have higher socioeconomic status and higher levels of prior education than their public school counterparts.

Motivation is a loose term, but the proprietary student is characterized in most literature as having more of it. Both the Erickson (1972) and AIR (1972) studies imply that proprietary students are more highly motivated than public school students. The HEW (1970) report states:

> The available evidence does suggest that students enrolling in private vocational schools are, on the average, of a higher educational level, from higher socioeconomic backgrounds, and apparently more highly motivated than their public school counterparts (p. 17).

This difference in motivation is thought to result in proprietary students working hard and paying their way through their relatively expensive training (Hoyt 1963; Belitsky 1969). The HEW (1970) report sums up the research findings to 1970 by saying that, because a relatively high proportion of private students hold jobs while they study, the proprietary student may:

> . . .be a student of significantly higher "quality" than his public school counterpart, who often is essentially "unemployable" prior to his vocational training (p. 18).

The literature so far pictures the proprietary student as being on equal, if not superior, footing with his public school counterpart.

THE BERKELEY STUDY OF PROPRIETARIES

The Berkeley study began in 1973 to identify the characteristics of students enrolled in a broad sample of public and proprietary schools and to test their relative effectiveness in preparing people for employment. The design of the study was grounded in Downs' (1967) theory, and treated public and proprietary schools as conceptually distinct. Proprietary schools depend on the occupational success of their graduates for their income, whereas the public schools depend on the political process for theirs.

The study is divided into two stages. The first stage (which is complete) analyzed the characteristics of 1,370 students —accounting, electronic data processing programmers, secretarial, dental assisting, electronic technicians, cosmetology—who were close to graduating from 50 randomly selected public and proprietary schools covering six occupations. The second stage, funded by the National Institute of Education and due for completion late this year, is following 3,400 graduates of these schools into their labor market to analyze their postgraduation success after controlling for differences in student backgrounds and characteristics.

Contradictory Findings–Our findings contradict the popular picture of the average proprietary student (see table, page 6, for a condensed view of some of the data). We found that they tend to bring fewer resources to schools with them than students who go to public schools. They were more likely to have dropped out of high school or graduated from a low status "general" or "vocational" program than the student who chose the local community college or technical school. Also, the student that found his or her way into a proprietary school was more likely to have come from an ethnic minority group, either black or Spanish surname, than the student going into public postsecondary vocational training. There was a nonsignificant trend for proprietary students to come from families of lower socioeconomic status than public students, and their verbal skills lagged behind their public school counterparts.

Proprietary students were going to school more "intensely" than the public students. A full-time program in most proprietary schools exceeds 25-30 hours of in-school time each week. A full-time program in most public schools involves only about 15 hours per week of actual classroom time. However, the proprietary student will finish his course of study much more quickly than the public student. Consequently, he must work fewer hours each week and earn less, although he will be available for employment sooner.

Motivation–We measured the achievement motive using Loevinger's (1970) Ego Development, scored and interpreted under the expert guidance of Professor Fred L. Strodtbeck and Steven Hansell of the University of Chicago's Social Psychology Laboratory. Conventional wisdom pictures the proprietary student as a highly motivated, goal-oriented person willing to pay for fast training he could get free nearby. Our data bear out that he is going to school more intensely and is more concerned with job success after graduation than the public school student; but these factors are not strong enough to produce significant differences in the achievement motive between the two samples of students. Proprietary students must choose their schools for reasons other than being more highly motivated that public school students.

Student Choices–This study indicates a clear tendency for the least advantaged student not to attend the nearby inexpensive community colleges and technical schools. More often he chooses the relatively expensive proprietary schools. If public postsecondary schools are the latest extension of mass public education geared to the needs of the "new students," why do those students tend to pick the proprietaries?

One reason is that public schools, when compared with the proprietaries, look like extensions of the academic, middle-class, public secondary school system, which many new students choose not to, or cannot, relate to. Despite the current popularity of "career education," over 75 percent of the public schools in this study stated that their highest priority was educating students for life, and only second-

arily mentioned training for employment. To meet this stated objective, public schools' vocational programs contain considerably more general, or nonemployment-related, coursework than the single-purpose proprietaries (Belitsky 1969; American Institutes for Research 1972; Erickson et al. 1972) who gave top priority to training students for employment.

Public postsecondary schools often recruit their faculties from elementary and secondary schools (Medsker 1960), which, according to Katz et al. (1973), gives the public schools a distinct middle-class flavor. In this same article, Katz and his associates analyze socioeconomic characteristics of the population of a California city and conclude the local community college did not recruit the segments of the population with the fewest resources. They write, "the middle income groups dominant in the administration and faculty of the public junior colleges constitute its student body as well." Katz concludes the public junior college is more a bulwark for the middle class than a channel of mobility for the entire community. Anderson, Bowman, and Tinto (1972) also conclude that community colleges have not yet reached the nation's lower classes.

People who lack middle-class advantages, particularly if they are from ethnic minorities, tend not to participate in middle-class institutions. Recruitment patterns of the schools in the study emphasize this point dramatically. The predominantly middle-class students in public schools tended to come from high-status college preparatory programs and had superior verbal skills. High school teachers and counselors helped guide these students into higher education at the local community college or technical school.

On the other hand, proprietary students who made it through high school were more likely in low-status, general programs. They generally did not have the verbal facility of the students in the public schools. Proprietary students, who probably needed guidance from their high school counselors and teachers, apparently didn't get it, but had to rely on rather unconventional sources of information such as Yellow Pages and late night television advertisements to decide what to do after high school.

Part of the reason why high school counselors and teachers do not guide students into proprietary schools is probably that these teachers and counselors, who are middle-class themselves, feel more comfortable working with the more middle-class students—Whites who have brought with them, or acquired, good verbal skills in high school.

Another, more pervasive reason is a real gap in information that exists about the proprietary schools. When asked, Do you feel that your school competes with other schools in the area for students?, only about half the public school presidents and directors responded, Yes. When asked which schools were the main competitors, by name, the community college and technical school leaders most often named 4-year colleges. None named proprietary schools, which indicates a profound lack of knowledge.

This lack of information is one-sided, however, because directors of all proprietary schools said that other schools in the area did compete with them, and named local community colleges and technical schools as a major source of competition.

To sum up, our findings contradict the conventional wisdom that motivation is the factor that determines whether students go to public or proprietary schools. This study, which includes a wide range of schools and students, shows that differences in motivation determine school choices of some, but not most, students.

Students' Expectations after Graduation–Students were asked the highest level of education they expected to attain during their lifetime. Both groups had, in our estimation, unrealistic expectations. Almost half (49%) of the students in the public schools said they expected to attain a bachelor's degree or more, and more than a third (36%) of the proprietary students responded similarly. These expectations are not merely a function of the amount of education already attained, because only 3 percent of the public students and 6 percent of the proprietary students had bachelor's degrees then. This finding is perplexing because neither public vocational nor proprietary programs are easy or usual routes into higher education.

One explanation is that both public and proprietary schools are performing the "cooling out" function described by Clark (1960), in which students who cannot or will not perform at the institutionally defined "standard, 4-year college level," are let down, bit-by-bit, and counseled into terminal programs. They have little hope of transfering back into the 4-year, college-bound stream.

Another explanation is, despite the current popularity of denigrating the college degree, these students still feel they need one for a successful life. We can only speculate about this finding.

Students were asked how much money they expected to earn 3 to 5 years after graduation and 10 years after graduation (exclusive of their spouses' earnings). Expectancy theory (Gurin 1970) indicates that expectations depend not only on the desirability of a goal, in this case future salaries, but also the probability of reaching the goal. Many studies have shown that expectations changed quickly with feedback indicating success or failure (Heath 1961; Feather 1963). Following success, most people adjust their expectations upwards, and after failure, most lower their expectations. According to these findings, students with jobs and income should expect higher salaries in the future, because, in view of their current earnings, their expected future earnings seem realistic. On the other hand, future salary expectations of students with the same achievement motive, but without a source of current earnings, should be lower. This is because, in their eyes, the probability of reaching such a high goal is lower. Predictably, the students attending public community colleges and technical institutes who had more resources behind them and were working more and earning more, expected more. On the other hand, students attending proprietary schools, who had fewer resources behind them and worked less and earned less, expected less. When we take into account the differences in current earnings by spreading the earnings effects evenly across both groups statistically, the salary expectations for each group become about the same.

These findings suggest that proprietary schools *may* be able to compensate for their students' less advantaged backgrounds by providing intensive, short-term job training. This hypothesis is strengthened by Belitsky's (1969) findings that proprietary schools concentrate on short-term successes for their students by dividing the curriculum into short, sequential units. Completion often marks the first school-related success in the lives of many proprietary stu-

dents. Perhaps the positive feedback increases the proprietary students' expectations.

CONCLUSION

The objective of the study was to detect systematic differences between public and proprietary school students that operate across a variety of schools, geographic regions and occupational programs. We did not intend to generalize to all proprietary or public schools, but instead, we did want to demonstrate a principle—that public and proprietary schools march to different drummers (the public schools to the political process and the proprietaries to the market). This difference shapes the way the schools spend their resources.

Public schools, with their need to maintain a broad base of middle-class, tax-paying support, offer broad programs that appeal largely to the tax-paying middle class. Proprietary schools need to recruit, train, and place graduates in jobs successfully to get a return on their investments. Consequently, their programs are specific and determined by current labor market and consumer needs. Governed by the profit motive, rather than political survival, the proprietary schools have a built-in incentive to seek out student markets not served by nearby competing public schools.

The reason this study contradicts earlier studies is probably that earlier studies were pioneering efforts, subject to limitations and pitfalls from which we learned. For example, the Kincaid and Podesta study covered only a handful of schools in a single county; the Belitsky study included only schools that were accredited by the National Association of Trade and Technical Schools; and the HEW Task Force reported only on studies that had been finished as of 1970; the Erickson survey looked only at outstanding schools; and the AIR study may have been badly biased because half of the proprietaries chose not to participate, and they unfortunately lumped public and private nonprofit schools together, thus distorting any comparisons.

Yet, these present findings may be modified when analysis is done of the characteristics of students entering these programs in a few months. The analysis here includes students who were close to graduating—the profile of those now entering may be quite different.

SYNOPSIS OF FINDINGS

Variable	Public	Proprietary	Significance Level
Number of students in sample	657	713	
Educational status (combination of years of schooling and status of high school program)	+	–	$P < .001$
Ethnic minority	–	+	$P < .001$
Socioeconomic status	+ (slight)	–	Not significant
Verbal skills	+	–	$P < .001$
Hours worked each week	+	–	$P < .001$
Weekly earnings	+	–	$P < .001$
Motivation (ego development)	+ (slight)	–	Not significant
Reliance on conventional sources of information to make school choice (teachers, counselors)	+	–	$P < .001$
Educational expectations	+	–	$P < .001$
Salary expectations (controlling for current earnings)	+ (slight)	–	Not significant

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